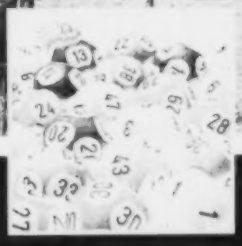


Vision

British Columbia Lottery Corporation

105-01408/

Letter of Transmittal	1
Board Governance	2
Chair's Message	3
President's Message	4
Year in Review	6
Good Works	11
Community Support	12
Social Responsibility	14
Strategic Plan	15
Management Discussion and Analysis	16
Report on Performance	18

10760 Shellbridge Way
Richmond, British Columbia
V6X 3H1
(604) 270-0649

Contents

770 Hillside Avenue
Victoria, British Columbia
V8T 1Z6
(250) 383-4433

74 West Seymour Street
Kamloops, British Columbia
V2C 1E2
(250) 828-5500

Auditors Report	21
Consolidated Balance Sheet	22
Consolidated Statement of Income	23
Consolidated Statement of Amounts Due to Government of British Columbia	24
Consolidated Statement of Cash Flows	25
Notes to Consolidated Financial Statements	26

Letter of Transmittal

Minister Responsible for British Columbia Lottery Corporation

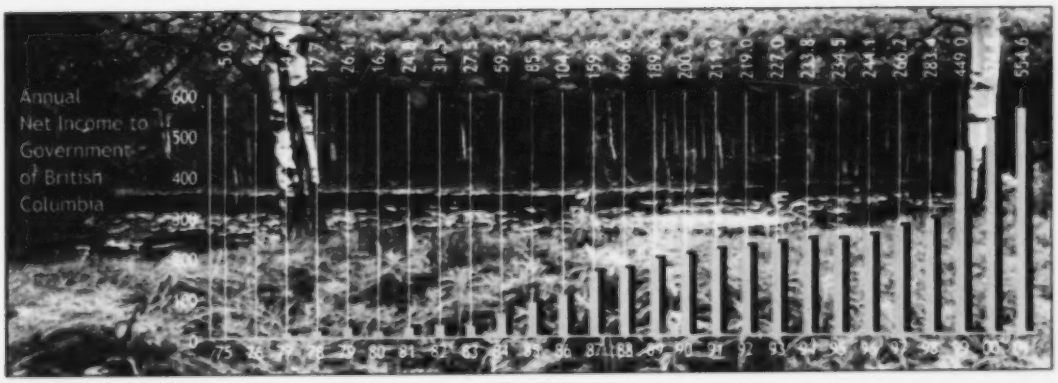
Dear Minister:

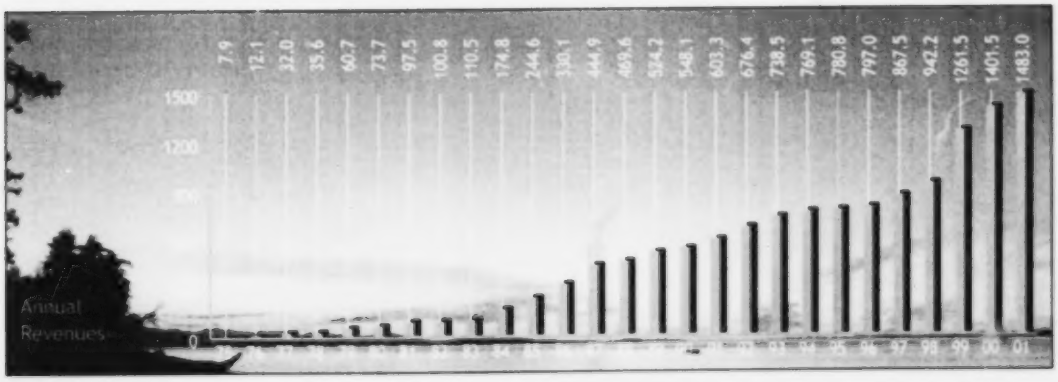
British Columbia Lottery Corporation (BCLC) experienced continued success in fiscal 2000/01 as it fulfilled its responsibilities as an agent of the Crown to conduct and manage lottery games, commercial casino gaming and electronic and linked bingo. Record revenues and net income were achieved for British Columbia for the 26th consecutive year.

Total revenues reached $1.48 billion, resulting in net income of $562 million, of which $554.6 million was distributed to the Government of British Columbia and $7.4 million to the Government of Canada.

On behalf of BCLC, I respectfully submit the Annual Report for fiscal year ended March 31, 2001.

Mervyn Romilly
Chair, Board of Directors





Board Governance

The Corporation reports to the Minister Responsible for British Columbia Lottery Corporation through a Board of Directors comprising up to nine members. By order-in-council, Government appoints board members from various backgrounds and communities around the province.

The Board of Directors is responsible for overseeing the management of the Corporation's affairs and for guiding its activities to meet statutory objectives as outlined in the Lottery Corporation Act of British Columbia.

Director's involvement, commitment and accountability is evident by their:

- knowledge of the Corporation's history, current operations and culture
- regular, informed participation in Board and committee meetings
- preparation and active participation in setting strategic direction
- ensuring the Corporation performs in the overall best interests of the Government of British Columbia

The Board of Directors operated through the following committee structure:

- Audit Committee
- Compensation Committee
- Governance Committee
- Retailer Complaint Review Committee
- Marketing and Communications Committee

The Audit Committee liaises between the external and internal auditors and the Board. It ensures that the review of BCLC's financial operations by the external auditors provides an independent report of the integrity of financial data, adequacy of internal controls, adherence to sound business practices, and that the results of the annual audit are fairly presented.

The Compensation Committee examines the Corporation's strategies and practices that relate to effective and fair human resources management, and provides advice on these matters to the full Board for consideration.

The Governance Committee assists the Board in reviewing the policies and practices of the Board by ensuring the Board's continuing ability to fulfil its legislative mandate, and in implementing effective due diligence over the operations of the Corporation.

The Retailer Complaint Review Committee is an appeal body for existing, past and potential retailers who, after having exhausted appeals to management, seek redress from the Board.

The Marketing and Communications Committee establishes guidelines regarding sponsorships and corporate image programs undertaken by the Corporation.

Mervyn Romilly — Reappointed Nov. 23, 2000
Financial and Management Consultant
North Vancouver

Jann L. M. Bailey — Reappointed August 15, 2000
Art Gallery Director
Kamloops

Jaswinder Bathe — Appointed November 23, 2000
Accountant
Abbotsford

Pietro Calendino — Appointed April 1, 1998
MLA
Burnaby North

Marylou Curtis — Reappointed June 29, 2000
Credit and Office Manager
Prince George

Diane Ferleyko — Reappointed June 29, 2000
Accountant
Coquitlam

Kenneth H. Isomura — Reappointed August 15, 2000
Labour Staff Representative
Canadian Labour Congress/
United Way of Lower Mainland
Vancouver

Gary Martin — Appointed December 7, 2000
Assistant Deputy Minister
Labour Programs
Ministry of Labour
Victoria

Wendy Smitka — Appointed December 7, 2000
Self-employed business owner
Nanaimo

CHAIR'S MESSAGE

world-class gaming products that are
and that meet or exceed customer expectations
to customers, business partners and each other
a corporate citizen
stakeholder expectations and for British Columbians
a organization
one of the in British Columbia, recognized by our practices and reputation

in the games that it offers and by conducting business in a way
that is fair, honest and trustworthy
to and the impact on the people
and communities of British Columbia
for in its work practices, products and relationships
openness, mutual and individual development

in operating the business for the long-term benefit of British Columbians
in easy delivery and access to products
in paying attention to customers, strategic priorities and goals, and values and relationships
in using dollars, time and talent to their fullest
in acting quickly in response to strategic, competitive and market changes
in ensuring that clear objectives and targets exist throughout the organization
and responsibility is widely shared

Mervyn Romilly
Chair, Board of Directors

Gaming revenue has been delivering and funding for good works programs to the people of British Columbia since the first day of lottery sales in British Columbia on August 4, 1974.

After a 10-year partnership with the three Western provinces, BCLC officially started as a separate Crown Corporation on April 1, 1985, and is the agent of government authorized to conduct and manage gaming in British Columbia. The Corporation is committed to the highest standards for gaming entertainment, social responsibility and integrity in its mandate to generate gaming revenue for the Government of British Columbia. Government distributes this money to British Columbians through public service programs, including health care, general revenue, grants to charities, municipal revenue sharing, and problem gambling programs.

In fiscal 2000/01, for the 26th consecutive year, BCLC achieved and profit. Revenues of $1.48 billion resulted in net income of $562 million, of which $554.6 million was distributed to the Government of British Columbia and $7.4 million to the Government of Canada. Over the 26 years of lotteries in British Columbia, a total of $4.6 billion in net income has been distributed to the Government of British Columbia.

The development of BCLC's new strategic plan involved a re-examination of the Corporation's core purpose, and . The critical issues, opportunities and challenges facing BCLC were assessed in order to position the organization for continued growth in the future.

Finalized in the last quarter of fiscal 2000/01, the plan sets out a new vision and objectives for the Corporation. Major strategic initiatives were identified:

- the of our products
- for transformational growth in a changing marketplace
- a stronger social contract with and their communities
- government relationships
- on operational , practices, systems, margins and competition
- principles, values, behaviour and culture with the new vision, and integrate the strategic plan with next fiscal year's business plan
- annual revenues to $2 billion over the next five years

BCLC strives to be a socially responsible, trustworthy and community-orientated organization.

Through its community support and sponsorship program, the Corporation proudly supported a variety of community events throughout the province in fiscal 2000/01. Celebrations, festivals, tournaments, sporting events, exhibitions and conferences benefited from BCLC's involvement. The Corporation salutes the work of the thousands of whose dedication makes so many of these events possible. We are especially pleased to be recognizing their efforts during the International Year of Volunteers 2001.

For a third season, the program provided a performance stage, sound and lighting system and crew to community events throughout the province. This in-kind sponsorship gave local organizers greater opportunity to increase the quality of events for their communities. The stage travelled 17,000 kilometres to visit 25 events in 21 communities.

The Hey Wagon participated in a number of charity events in its schedule, helping event organizers to raise a total of $1.1 million for worthy community causes.

Vic Poleschuk
, Corporate Development and Information Technology
Rob Egan
, Finance & Corporate Services
Doug Penrose
, Casino Gaming
Brian Lynch
, Lottery Gaming
Jim Lightbody

BCLC offers high-quality gaming entertainment to adults who wish to play games of chance. The Government of British Columbia has established the minimum gaming age as 19 years, a policy that BCLC adheres to and supports.

Of the adults who participate in , the vast majority do so for social and recreational purposes. However, a small percentage have varying degrees of difficulty deciding how much is too much.

The Corporation recognizes the importance of ensuring that problem gambling issues are addressed through public

awareness, education and treatment programs. Since 1997, Government has annually provided $2 million of BCLC net income to the Problem Gambling Program administered by the Ministry for Children and Families.

The program provides a wide range of , including prevention activities, community-based counselling, outpatient services and a toll-free help line. BCLC plays a key role in providing resources, expertise and assistance to the Ministry, and participates in joint initiatives such as training sessions, community information workshops and conferences that have targeted specific risk groups.

BCLC supported Government's initiative to increase program to $4 million annually. The Corporation looks forward to continuing partnerships with the Problem Gambling Program in helping to provide public awareness, education and treatment for those who struggle with gambling addictions.

The Okanagan's first casino and British Columbia's second, Lake City Casino Penticton, opened in May ahead of schedule. Set on the shores of scenic Okanagan Lake in the Penticton Lakeside Resort, Convention Centre & Casino, the facility offers gaming entertainment in the atmosphere of a lively Caribbean wharfside village.

In addition to the direct of more than $13 million in phase one of the project, the casino generated new employment opportunities and economic benefits for the city of Penticton.

BCLC contracts with private sector casino service providers for facility and operational services.

In January, the two parties reached an agreement in principle on the terms and conditions of a 10-year contract with an option to renew for an additional 10 years. This contract will provide greater certainty and stability for the Corporation and casino service providers to in developing the casino industry and provide high-quality casino gaming entertainment, excellent and Canadian industry casino operational standards.

Another electronic bingo site, , opened at the Campbell River Bingo Palace in January.

This is the first of the Corporation's electronic bingo systems to be operated by a central controller system, developed jointly by BCLC and British Columbia-based technology company Jenosys Inc. Through this technology BCLC can compete with other types of high-tech gaming entertainment

and conduct more effective and efficient business operations.

has significantly changed the way organizations operate. During the past several years, BCLC has developed **www.bclc.com**, where visitors can check winning numbers and access corporate and product information.

Over the next fiscal year, the Corporation will position itself to take full advantage of emerging technologies by identifying opportunities, developing a comprehensive e-business plan, enhancing and refining its Web site and continuing to integrate Web-based technologies into business unit programs.

In January 2000, BCLC conducted an employee survey and an action plan was subsequently initiated. Training and development programs that strengthen the organization and support and business operations are being conducted over a two-year period.

BCLC's strategic plan identifies initiatives and establishes the baseline for the 2001/02 business plan. Among its , the Corporation will focus on growing the current gaming business by providing its customers with high-quality gaming entertainment, building a stronger social contract with British Columbians, including more comprehensive social responsibility programs, and being a better business in the areas of people, practices, systems, margins and competition.

Vic Poleschuk
President and CEO

Lottery Gaming

Lotteries face many challenges, including a maturing market and competition from other forms of entertainment. In fiscal 2000/01, sales revenues of $937 million exceeded budget and were $29.7 million greater than the previous fiscal year. Lotto Super 7, Club Keno and Breakopen performed strongly, but sales were lower than expected from Lotto 6/49 and Scratch & Win.

Nationwide game sales totalled $266.6 million, up marginally from the previous fiscal year. These include Lotto 6/49, Lotto Super 7 and the Celebration games. Lotto Super 7 and Lotto 6/49 have experienced favourable jackpot patterns in recent years, with larger jackpots attracting greater player interest and increased sales. Larger jackpots also correspond to increased sales on BC/49 and Extra.

In fiscal 2000/01, Lotto Super 7 reached a jackpot level of $10 million or higher 20 times. Highest jackpot of the year was $20 million, the last in a three-jackpot bonus series. Lotto 6/49 reached a jackpot of $5 million or higher 44 times. The highest jackpot of $15 million occurred twice during the year.

Club Keno is offered in both the LTC and CKK networks. Forty-five new locations were added to the CKK network during the year.

Sales of $204 million were $18.3 million greater than the previous year. A Club Keno consumer promotion that offered one draw free with a five-draw purchase resulted in a net sales increase.

Chaser, a game with a guaranteed winner every draw, launched January 7 in the social gaming network. CKK retailers earn a higher commission rate on this game. Sales had reached $1.59 million by fiscal year-end.

Breakopen sales of $108 million were on par with the previous fiscal year.

Scratch & Win sales of $191.5 million, an increase of $9.4 million over the previous fiscal year, were well supported by the popular base games Gold Rush, Blackjack, Bingo and Crossword. Variations of these games are always available. In addition, a holiday lineup offering $6.5 million in prizes was successful.

BC's Set for Life, a $4 Scratch & Win that launched in September, offers a top prize of $1,000 a week for 25 years. Winners have the option of the annuity prize or a lump sum payment of $675,000. The fiscal year's sixth winner of the top prize became the first to choose the annuity prize option.

One of the strongest Scratch & Wins of the year, BC's Set for Life maintained base game status. The annuity prize has proved appealing to a core group of players.

Wheel of Fortune® was based on the television game show theme. A consumer promotion offered prizes of a trip to Hollywood to audition for the show and subsidiary merchandise prizes. The game achieved excellent sales performance.

Sports Action is the umbrella for Oddset, Toto and Point Spread. Fiscal 2000/01 sales of $22.3 million were on par with last fiscal year.

A Catch to Win consumer contest ran from July through November at BC Lions home games. Sports Action players had the chance to win tickets and cash. A Catch to Win contest was also held when Sports Action sponsored the annual Shrum Bowl football game between the University of British Columbia and Simon Fraser University.

More than 71 million lottery prizes worth a total of $539.2 million were won in British Columbia in fiscal 2000/01, another record-setting year.

There were 47 lottery jackpot or grand prizes won in the province, of which 23 were $1 million or greater.

BCLC offers lottery products through a network of about 2,650 Lottery Ticket Centre (LTC) retailers, many of them small businesses. About 800 Club Keno Korner (CKK) locations in the social gaming network, mainly bars and pubs, sell Club Keno, Chaser and Breakopen pull-tabs, and another 360 offer Breakopen only.

At fiscal year-end, more than 900 convenience stores comprised the largest segment of the LTC network. Gas/convenience stores were the next largest segment at almost 700. Among other locations are ticket centres, newsstands, drugstores, variety and services stores, and non-profit organizations that sell tickets on behalf of charity, usually in a kiosk setting.

To help retailers succeed in business, the Corporation provides a toll-free information and help

line, sales representatives, technical and customer service training, point-of-sale materials, supplies and newsletters.

Lottery retailers earn a commission on every lottery ticket sold through a percentage structure that varies by product. In fiscal 2000/01, lottery retailers from across the province earned a total of $63.7 million in commissions.

Additional income was also earned through bonus and incentive programs. The LTC Bonus Program offered a total of $3 million in potential earnings by rewarding retailers for outstanding sales and service through the categories of Sales Bonus, Service Reward and Club Elite. Overall, 75 per cent of retailers achieved a bonus payment.

In the CKK Bonus Program, $2.5 million in potential earnings was available through the categories of Sales and Service Reward and Sales Increase Bonus. Almost 71 per cent of retailers achieved a bonus payment overall.

BCLC took its annual Retailer Forum on the road in fiscal 2000/01, holding one-day regional conferences in Prince George, Victoria and Kelowna.

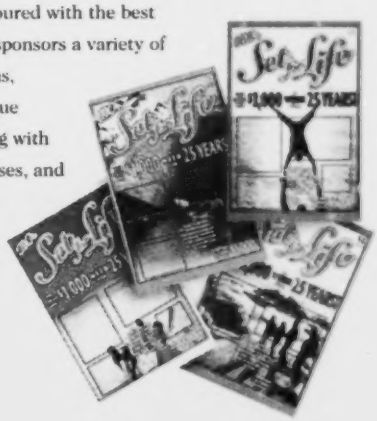
Lotto 2000 offered retailers opportunities to learn about such topics as sales and retailing trends, managing people and security tips. They exchanged information and ideas with their peers and BCLC staff.

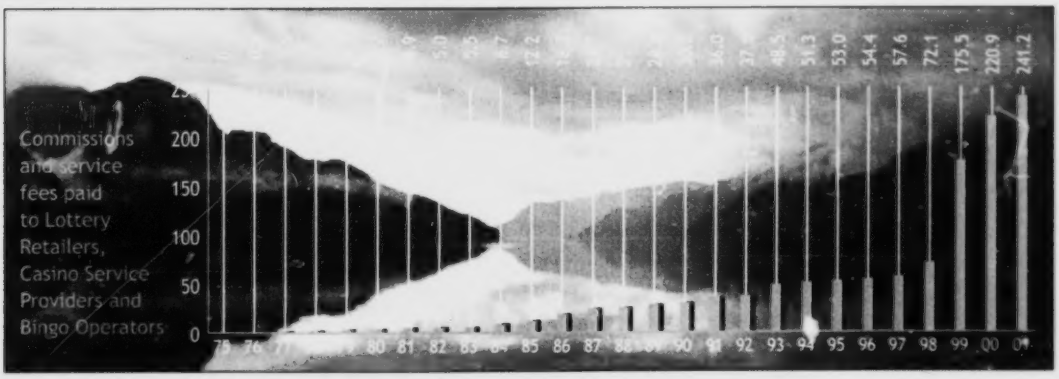
At Lotto 2001 in Vancouver, BCLC held its annual Retailer Awards for fiscal 2000/01, created to recognize the dedication and hard work of retailers across the province.

The award for best sales achievement went to Joan Trotter. Joan is owner-operator of the Northbound Stop and Wash in Mackenzie, a combined business of laundromat, snack bar, bus depot and LTC. She has more than doubled her lottery sales since she started two years ago.

Serge Laprise of the Valleyfair Mall LTC in Maple Ridge won for best overall retailer. Noted for going the extra mile in his business, Serge offers customers second chances on non-winning lottery tickets by entering them into an in-house draw. He donates his BC/49 profits from the last Wednesday of the month to the Multiple Sclerosis Society.

Wayne Richmond, who runs the 49th Parallel Grocery #1 in Ladysmith, was honoured with the best community award. He sponsors a variety of community sports teams, provides staff with unique benefits, such as helping with their first-home purchases, and gives back more than $6,000 to the community through his customer cash-back program.





line, sales representatives, technical and customer service training, point-of-sale materials, supplies and newsletters.

Lottery retailers earn a commission on every lottery ticket sold through a percentage structure that varies by product. In fiscal 2000/01, lottery retailers from across the province earned a total of $63.7 million in commissions.

Additional income was also earned through bonus and incentive programs. The LTC Bonus Program offered a total of $3 million in potential earnings by rewarding retailers for outstanding sales and service through the categories of Sales Bonus, Service Reward and Club Elite. Overall, 75 per cent of retailers achieved a bonus payment.

In the CKK Bonus Program, $2.5 million in potential earnings was available through the categories of Sales and Service Reward and Sales Increase Bonus. Almost 71 per cent of retailers achieved a bonus payment overall.

BCLC took its annual Retailer Forum on the road in fiscal 2000/01, holding one-day regional conferences in Prince George, Victoria and Kelowna.

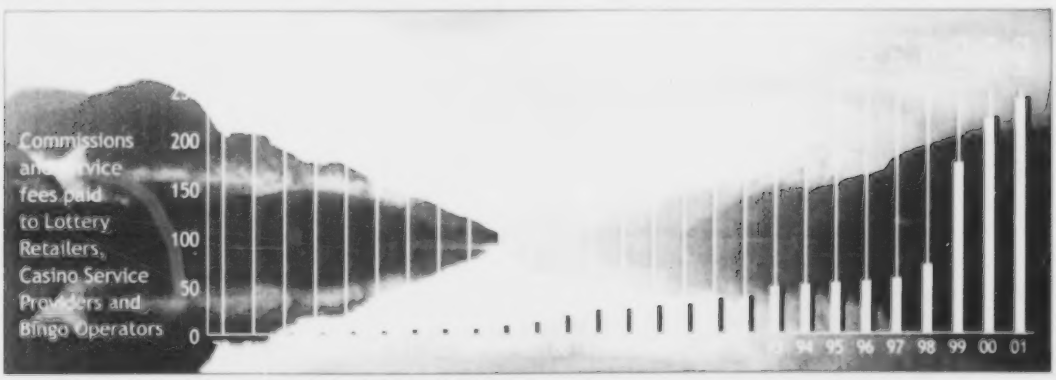
Lotto 2000 offered retailers opportunities to learn about such topics as sales and retailing trends, managing people and security tips. They exchanged information and ideas with their peers and BCLC staff.

At Lotto 2001 in Vancouver, BCLC held its annual Retailer Awards for fiscal 2000/01, created to recognize the dedication and hard work of retailers across the province.

The award for best sales achievement went to Joan Trotter. Joan is owner-operator of the Northbound Stop and Wash in Mackenzie, a combined business of laundromat, snack bar, bus depot and LTC. She has more than doubled her lottery sales since she started two years ago.

Serge Laprise of the Valleystar Mall LTC in Maple Ridge won for best overall retailer. Noted for going the extra mile in his business, Serge offers customers second chances on non-winning lottery tickets by entering them into an in-house draw. He donates his $2,49 profits from the last Wednesday of the month to the Multiple Sclerosis Society.

Wayne Richmond, who runs the 49th Parallel Grocery #1 in Ladysmith, was honoured with the best community award. He sponsors a variety of community sports teams, provides staff with unique benefits, such as helping with their first-home purchases, and gives back more than $6,000 to the community through his customer cash-back program.



Casino Gaming

Casinos that offered only table games began operating in British Columbia in 1987. In 1997, as part of the Government of British Columbia's change in gaming policy, BCLC was given responsibility to conduct and manage slot machines when they were introduced in the province.

The Corporation became responsible for all commercial casino gaming when it assumed responsibility to conduct and manage table games effective June 1, 1998.

There are two types of commercial casinos in British Columbia. Community casinos are existing sites that were formerly known as charitable casinos. Destination casinos are new casinos that Government approved in principle in fiscal 1998/99 through a Request for Proposal process. Both may have up to 300 slot machines, 30 tables and table betting limits up to $500.

Casino revenues are recorded after prizes are paid. In fiscal 2000/01, total revenues of $492.3 million were $47.1 million greater than the previous fiscal year. Slot machine revenues were $268.9 million and table game revenues $223.4 million.

Lake City Casino Penticton, British Columbia's second destination casino, opened in May. An earlier than expected implementation coupled with a full year of operation from the Royal City Star riverboat destination casino contributed to overall strong sales performance.

With the opening of the Penticton casino, there were 16 community casinos and two destination casinos in operation over the fiscal year. At fiscal year-end, there were a total of 2,399 slot machines throughout 10 locations.

A Memorandum of Agreement reached between the Government of British Columbia and Union of British Columbia Municipalities in June 1999 included an agreement that a municipality where a community casino is located receives a 10 per cent share of the net income generated by that casino. In a community where a destination casino is located, the host local government receives one-sixth of the net income from that casino.

BCLC transfers net income to Government, which disburses the municipal share quarterly. In fiscal 2000/01, local governments received about $29.5 million.

In June 2000, the Corporation introduced a five-stage process for relocating community casinos. The process provides for broad-based community input from local governments, the public and casino service providers.

Communities in the Southern Vancouver Island region followed the process in considering community casino relocations. View Royal went on to receive final approval as the preferred site for a relocated, full-service casino, expected to open in late 2001.

Construction began on the new site in Coquitlam for a full-service casino, relocated from a table games only facility in Surrey. A fall 2001 opening is anticipated.

BCLC contracts with private sector casino service providers for facility and operational services.

There are eight casino service providers in British Columbia: 585 Holdings Ltd. (Billy Barker Casino); Prince George Casino Supply Co. Inc. (Casino Hollywood); Gateway Casinos Inc. (three Gateway locations); Grand Casino Equipment & Management Ltd. (Grand Casino); Great Canadian Casinos Inc. (six Great Canadian Casino locatioas); Lake City Casinos Ltd. (four Lake City Casino locations); Royal Diamond Casinos Inc. (Royal Diamond Casino); and Star of Fortune Gaming Management (BC) Corp. (Royal City Star).

From net win, the casino service provider receives service fees of 40 per cent on table games and 25 per cent on slot machines, plus three per cent on each for facility development. Destination casinos receive the same game service fees as community casinos.

In fiscal 2000/01, casino service providers earned a total of $170.3 million in service fees.

To maintain entertainment value to customers the Corporation revitalized its slot machine game mix during fiscal 2000/01, the first time since slot machines were introduced in the province in October 1997. While the number of slot machines remained the same at each casino site, some machines were retrofitted with new themes or replaced with new games. Multiple paylines

became available, increasing the top prize available to be won on a slot machine game in British Columbia to $20,000.

The province's first novelty slot machine was installed at Lake City Casino Penticton. Known as a mini-Bertha, the machine stands eight feet tall and three feet wide and features the image of the legendary lake monster Ogopogo.

In April 1998, Government announced a new gaming model that included funding to charities of a guaranteed minimum level of $125 million annually from gaming. A Direct Access program administered by British Columbia Gaming Commission replaced revenue previously available through casino licences, and volunteers would no longer be involved in casino nights.

The funding guarantee was reaffirmed in June 1999 when Government reached a Memorandum of Agreement with British Columbia Association for Charitable Gaming. The minimum of $125 million annually is tied to the consumer price index in Vancouver.

In fiscal 2000/01, the guarantee was $127.7 million. From the net income generated by BCLC in fiscal 2000/01, Government allocated $96.2 million to charities as part of the guarantee commitment of $127.7 million, with the balance being earned directly by charities through bingo gaming.

Casino	Service Provider	City	BCLC Slot Machine Revenue	Number of Slot Machines at March 31	BCLC Table Game Revenue	Number of Tables at March 31	BCLC Combined Casino Revenue
Billy Barker Casino	585 Holdings Ltd.	Quesnel	$ 8,345,977	134	$ 615,150	6	$ 8,961,126
Casino Hollywood	Prince George Casino Supply Co. Inc.	Prince George	20,136,712	220	2,528,809	9	22,665,520
Gateway Casino Burnaby	Gateway Casinos Inc.	Burnaby	68,426,775	300	35,214,385	31	103,641,160
Gateway Casino Mandarin Centre	Gateway Casinos Inc.	Vancouver			14,933,429	28	14,933,429
Gateway Casino Royal Towers	Gateway Casinos Inc.	New Westminster	23,711,248	169	13,019,630	24	36,730,878
Grand Casino	Grand Casino Equipment & Management Ltd.	Vancouver			18,470,139	32	18,470,139
Great Canadian Casino Holiday Inn	Great Canadian Casinos Inc.	Vancouver			20,288,363	35	20,288,363
Great Canadian Casino Mayfair	Great Canadian Casinos Inc.	Victoria			7,957,931	18	7,957,931
Great Canadian Casino Nanaimo	Great Canadian Casinos Inc.	Nanaimo	40,409,295	300	6,004,378	16	46,413,673
Great Canadian Casino Newton	Great Canadian Casinos Inc.	Surrey			18,987,341	28	18,987,341
Great Canadian Casino Renaissance	Great Canadian Casinos Inc.	Vancouver			9,969,276	24	9,969,276
Great Canadian Casino Richmond	Great Canadian Casinos Inc.	Richmond			40,548,014	33	40,548,014
Lake City Casino Kamloops	Lake City Casinos Limited	Kamloops	22,142,320	275	2,517,587	12	24,659,907
Lake City Casino Kelowna	Lake City Casinos Limited	Kelowna	24,707,429	300	3,971,926	16	28,679,355
Lake City Casino Vernon	Lake City Casinos Limited	Vernon	16,485,501	177	1,631,285	8	18,116,786
Royal Diamond Casino	Royal Diamond Casinos Inc.	Vancouver			12,657,789	30	12,657,789
			$224,365,255	**1,875**	**$ 209,315,432**	**350**	**$ 433,680,687**
Lake City Casino Penticton	Lake City Casinos Limited	Penticton	$ 13,212,795	224	$ 1,893,555	12	$ 15,106,350
Royal City Star Casino	Star of Fortune Gaming Management (BC) Corp.	New Westminster	31,319,913	300	12,170,784	30	43,490,697
			$ 44,532,708	524	$ 14,064,339	42	$ 58,597,047
			$268,897,963	**2,399**	**$223,379,771**	**392**	**$ 492,277,734**

Notes

The number of tables represents the maximum authorized tables (including poker tables) per casino. The actual number of tables open fluctuates daily and there are rules outlining the number of tables open at any one time. The number of authorized maximum tables has fluctuated throughout the year.

Lake City Casino Penticton opened May 15, 2000.

Bingo Gaming

BCLC has responsibility to conduct and manage electronic bingo products and offers these through existing commercial and self-managed bingo halls.

Starship Bingo electronic bingo operates in conjunction with paper bingo at 10 sites. The provincewide SuperStar Bingo game links up to 80 halls for one nightly jackpot game offering a minimum $20,000 jackpot.

Hand-held bingo units, a way to play paper bingo electronically, are operated by the Corporation in 11 locations.

Total bingo sales in fiscal 2000/01 were $53.8 million, an increase of $4.7 million over the previous fiscal year.

Starship Neptune at Campbell River Bingo Palace opened in January and became the first Starship Bingo site to be operated by a central controller system located in BCLC's Kamloops head office.

Starship Pioneer, which opened in March at Lucky's The Bingo Centre in Williams Lake, was the other new hall to join the Starship group in fiscal 2000/01.

To help increase the profile of SuperStar Bingo, the game was offered at the 2000 Pacific National Exhibition.

Players could also enter a draw for the chance to win promotional merchandise prizes.

SuperStar Bingo prizes totalled $8.3 million in fiscal 2000/01. More than 500 players won or shared the nightly jackpot.

In September, the first B.C. Bingo Championships were held using hand-held units. The event showed the public this new trend in play and was a way for halls to work together to promote bingo. Finalists from halls across the province participated and a Nanaimo player emerged as champion.

BCLC contracts with bingo operators for facility and operational services for electronic and linked bingo. Operators are responsible for providing space within their facility and customer services such as sales and cash handling.

BCLC pays bingo operators a service fee based on a sales formula. In fiscal 2000/01, bingo operators earned $7.3 million in service fees.

Net income generated by BCLC serves to benefit the entire province by flowing back into communities through Government programs for the public good.

Over the 26 years since lottery ticket sales began in the province, $4.6 billion has been generated for the Government of British Columbia for public purposes.

In fiscal 2000/01, BCLC earned $554.6 million in net income for Government, which was distributed in part as follows:

- $277.3 to general revenue
- $136.4 to the Health Special Account
- $96.2 million to charities
- $29.5 million to municipalities
- $2.1 million to the Problem Gambling Program

Since 1991, Government has dedicated up to 50 per cent of lottery profits to health care and directed the balance to the Consolidated Revenue Fund, which is primarily spent on health and education programs. In fiscal 2000/01, $136.4 million was allocated to the Health Special Account and $277.3 million to the general purse.

As part of the Government of British Columbia's 1997 announcement of a new gaming policy, the Corporation was given responsibilities to conduct and manage casinos and electronic and linked bingo.

The following year, Government announced a new gaming model that included a guarantee to charities of a minimum $125 million annually, funded through casino, bingo and electronic bingo net income. A direct charitable access grant program administered by British Columbia Gaming Commission replaced revenue previously available through casino licences. Eligible organizations receive financial contributions toward their community charitable work without conducting a licensed gaming event.

The guarantee to charities is indexed annually, based on Vancouver's consumer price index. For fiscal 2000/01, the guarantee was set at $127.7 million. From the net income generated by BCLC in fiscal 2000/01, Government allocated $96.2 million to charities as part of the guarantee commitment of $127.7 million.

In June 1999, Government reached a Memorandum of Agreement with the Union of British Columbia Municipalities. This included an agreement that a municipality where a community casino is located receives a 10 per cent share of the net income generated by the casino, paid quarterly.

In a community where a destination casino is located, the net income is divided. Two-thirds goes to Government, one-sixth to the host local government and one-sixth to the destination casino proponent for development assistance compensation.

Net income is transferred to Government and the municipal share disbursed accordingly. In fiscal 2000/01, Government distributed about $29.5 million to municipalities. Funds support projects and services chosen by local governments.

Local Government	Casino	2000/01
	Gateway Casino Burnaby (c)	$ 5,881,648
	Lake City Casino Kamloops (c)	1,486,791
	Lake City Casino Kelowna (c)	1,713,061
	Great Canadian Casino Nanaimo (c)	2,783,780
	Gateway Casino Royal Towers (c)	2,075,800
	Royal City Star Casino (d)	4,183,392
	Lake City Casino Penticton (d)	1,537,189
	Casino Hollywood (c)	1,364,426
	Billy Barker Casino (c)	544,427
	Great Canadian Casino Richmond (c)	1,920,587
	Great Canadian Casino Newton (c)	906,496
	Gateway Casino Mandarin Centre (c)	701,308
	Grand Casino (c)	863,025
	Great Canadian Casino Holiday Inn (c)	967,965
	Great Canadian Casino Renaissance (c)	472,427
	Royal Diamond Casino (c)	591,117
	Lake City Casino Vernon (c)	1,095,963
	Great Canadian Casino Mayfair (c)	378,468
Total municipal share		**$29,467,870**

c = Community casino (municipal share 10 per cent)
d = Destination casino (municipal share one-sixth)

BCLC employs a full-time equivalent of 624 people. These employees are based in the Corporate offices in Kamloops, Richmond and Victoria, and in the field throughout the province.

The gaming industry in British Columbia is estimated to have created more than 8,500 direct employment opportunities. These include people employed by casino service providers throughout the province's 18 casinos, and those working where lottery products are sold, at bingo halls and at companies providing services and support to the gaming industry.

BCLC's purchasing policy reflects the Public Purchasing Policy of the Province of British Columbia. The primary objective is to provide quality goods and services at the best value to the Corporation.

During fiscal 2000/01, BCLC issued 10 major Requests for Proposal and Invitations to Quote for products and services in all three gaming divisions.

Total expenditure was about $78 million, of which $69 million was spent with British Columbia-based suppliers.

Corporate sponsorships are one of the ways BCLC proudly participates in a variety of community festivals, celebrations and events throughout British Columbia. The Corporation may provide a financial contribution, resources, expertise or in-kind involvement to support a community in delivering a successful event.

Many community events are founded and organized through the involvement and commitment of a volunteer force. The Corporation salutes these individuals who play important roles in helping their communities thrive.

BCLC was actively involved in community sponsorships around British Columbia in fiscal 2000/01.

The Corporation was on the waterfront for New Westminster's , and again for , a celebration of the Fraser River's heritage. Later in the year, an official opening was held for the Fraser River Discovery Centre tourist attraction that showcases the river.

As a partner in the , the Corporation helped bring the exhibit to Parksville, Port Alberni, Terrace, Dawson Creek, Kamloops, Revelstoke, Fernie, Trail, Penticton, Coquitlam, North Vancouver and Burnaby.

BCLC was a supporter of , which brought the Victoria community together in a multicultural and musical celebration. The , held in Victoria this year, saw the Corporation participate as a member of the corporate partner family.

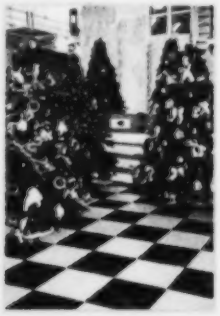
In showing support for the industry in British Columbia, BCLC was a sponsor of the at Hastings Park. Support continued at the at Sagebrush Downs, during the standard-bred season at Fraser Downs, and at the Cloverdale racetrack's opening weekend and

Royal British Columbia Museum was host to the exhibition, for which BCLC was presenting sponsor. A Scratch & Win ticket was released in conjunction with the exhibition.

The Corporation was among the sponsors of the first and the awards in Vancouver.

BCLC was a co-sponsor of the nine-day in New Westminster, a fund-raiser for the Simon Fraser Society for Community Living. Festivals were also supported in Victoria and Kamloops.

"Catch Mackenzie's Spirit" was the theme for the Mackenzie 2001 , of which the Corporation was official volunteer sponsor.



BCLC stepped forward as presenting sponsor of the in Victoria. The commitment will secure the tournament for June 2001 and give the Corporation a unique marketing opportunity with its Shell Payless lottery retailers.

Among other events involving a BCLC sponsorship were the in Dawson Creek, in Kamloops, Okanagan Mainline Municipal Association convention in Salmon Arm, provincial conference in Prince George, in White Rock and the in Campbell River.

Nearly half of BCLC's employees live in Kamloops where the head office is located. The Corporation is an active corporate citizen and over fiscal 2000/01 supported arts and culture, business, recreation and sports in the community.

BCLC was a partner with the Rotary Clubs of Kamloops for the annual , which raises money for charity.

Kamloops Art Gallery, Millennium Choral Fest, Western Canada Theatre and Kamloops

Wildlife Park received sponsorship support.

BCLC's role as official volunteer sponsor of , an international track and field event, involved hosting the volunteer tent.

FOUNDING SUPPORTER

Kamloops Museum and Volunteer Kamloops centre hosted , a travelling exhibit celebrating the history and future of volunteering in Canada. BCLC was the local corporate sponsor of the exhibit.

The was on the road throughout the province for a third season, visiting 25 community-supported events in 21 locations over 164 days. This high-profile performance stage, complete with a state-of-the-art sound and lighting system and crew, is provided to event organizers as an in-kind sponsorship. The Hey Wagon participated in a number of charity events, helping organizers raise a total of $1.1 million for worthy community causes.

At fiscal year-end, BCLC became the second founding supporter of the bid team to bring the to Vancouver and Whistler. The Corporation has committed $1.5 million in a combination of cash and in-kind sponsorship over the next three years. Working with the 2010 Bid Corporation, BCLC will focus on a provincewide supporter and volunteer program.

BCLC has long reminded players that games of chance are a form of adult entertainment to be played for fun and with discretionary dollars. Research shows that the overwhelming majority (better than 96 per cent) of adults participate in gambling as a social and recreational activity. For the other small percentage, gambling can result in problems that affect family, finances, employment or self-esteem.

By working in partnership with the Government of British Columbia, social agencies and treatment providers, the Corporation plays a key role in addressing problem gambling issues through public awareness, education, research and treatment programs.

In fiscal 2000/01, the Corporation participated in problem gambling workshops, conferences and training sessions. A Keeping the Fun in Gambling workshop visited British Columbia communities at the invitation of local organizers.

From the net income earned by BCLC, Government has annually provided $2 million to the Problem Gambling Program implemented in 1997 and administered by the Ministry for Children and Families.

BCLC supported Government's initiative to increase funding to $4 million annually to provide more prevention and treatment services, to enhance training for service providers and staff, and to provide better access to services in remote communities.

Problem Gambling Help Line

1-888-795-6111

BRITISH COLUMBIA

The Problem Gambling Program's services include a 24-hour, toll-free information and referral line. Brochures, stickers and posters informing the public of the program and toll-free number are produced by the Ministry and available at gaming establishments and counselling services.

During 2000, the Problem Gambling Help Line received 755 calls, an average of 63 monthly. The majority of callers obtained the toll-free number from stickers in gaming venues. Of those callers, 64 per cent were referred to a counselling program and 46 per cent to a self-help group.

In fiscal 2001/02, BCLC will develop and implement a more comprehensive responsible gambling program. The goal is to provide a reliable and accurate information resource toward greater public awareness and understanding of gaming and its social and economic impacts. BCLC will play a key role in continuing to mitigate the social costs related to gaming in British Columbia through program initiatives and as the result of continued joint efforts with the Government of British Columbia and problem gambling organizations.

STRATEGIC PLAN

To provide high-quality gaming entertainment in a socially responsible manner for the benefit of all British Columbians

To be a world-class gaming corporation

Integrity

We are fair, honest and trustworthy in the games we offer and the way we conduct business

Social Responsibility

We give careful consideration to the social values and impacts on the people and communities of British Columbia in all we do

Excellence

We strive for excellence in our work practices, products and relationships

Respect

Our workplace fosters openness, mutual respect and individual development

The Corporation's performance plan for fiscal 2001/02 – 2003/04 has identified six key objectives that will provide the strategic direction for the organization over the next three-year planning horizon.

The Corporation will meet or exceed consumer demands for high-quality gaming entertainment through product innovation, new and enhanced distribution channels and improved customer service.

The Corporation will continue to expand its role in assisting in the development and implementation of sound policies that support responsible gaming and economic development in communities throughout British Columbia.

The Corporation will continue to review its policies, processes and procedures that guide our relationships with business partners and customers, targeting the highest possible levels of consumer and business partner satisfaction.

The Corporation will continue to promote the key values and operating principles identified in the strategic plan that support the well-being and culture of the organization and its employees.

Through the Corporation's ongoing business improvement program, the organization will continue to challenge existing processes and procedures with the objective of eliminating redundancies, improving service levels and reducing costs.

Through innovative product development, improved service levels and the continuing development of distribution channels, the Corporation is targeting net income of $650 million in fiscal 2003/04, an increase of $100 million over fiscal 2000/01 projections. While the projected growth in gaming over the next three-year period is significant, British Columbia will continue to have one of the most moderate gaming policies of any province in Canada.

Increasing competition, changing demographics and rapidly evolving technology are just a few of the issues that the organization will face over the next several years. These issues, along with the Corporation's focus on responsible gambling, effective and efficient operations and maintaining and building the trust of British Columbians, will provide the organization with many challenges and opportunities.

Financial Results ($ in Millions)	1996/97	1997/98	1998/99	1999/00	2000/01 Actual	Budget	Variance
Lottery	$863.4	$883.4	$910.6	$907.2	$937.0	$927.0	$10.0
Casino	0	40.7	308.2	445.2	492.3	450.0	42.3
Bingo	4.1	18.1	42.7	49.1	53.7	54.8	(1.1)
	867.5	**942.2**	**1,261.5**	**1,401.5**	**1,483.0**	**1,431.8**	**51.2**
	529.7	571.4	699.1	745.9	796.1	763.1	33.0
	64.9	80.5	106.4	123.6	124.9	127.6	(2.7)
Lottery	272.3	267.5	282.5	287.8	285.4	292.3	(6.9)
Casino	0	22.0	171.5	242.3	271.7	244.1	27.6
Bingo	.6	.8	2.0	1.9	4.9	4.7	0.2
	$272.9	**$290.3**	**$456.0**	**$532.0**	**$562.0**	**$541.1**	**$20.9**

For the 26th consecutive year, BCLC achieved record sales and profits. Sales of $1.48 billion exceeded budget by $51.2 million and the previous year by $81.5 million. Net income exceeded budget by $20.9 million and the previous year by $30 million. Strong performance from casino operations was partially offset by increasing cost pressures from lottery operations.

Direct costs of $796.1 million were $33 million greater than budget and $50.2 million greater than the previous year. The increase in direct costs reflects additional prizes and commissions directly related to the growth in sales, a shift to higher prize expense lottery games and an increase in prizes for Lotto 6/49 and Lotto Super 7.

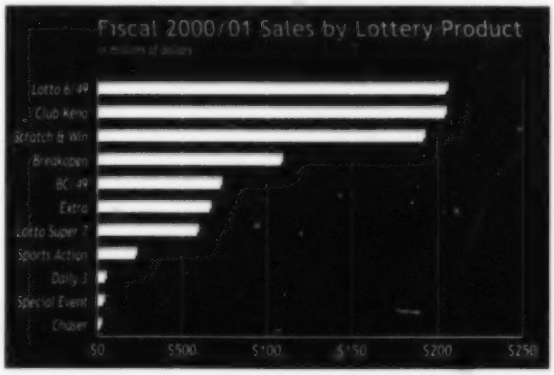
Operating costs of $124.9 million were $2.7 million less than budget and $1.3 million greater than fiscal 1999/00. One-time cost savings realized in data communications and higher interest revenues were partially offset by higher expenditures for professional fees and staffing.

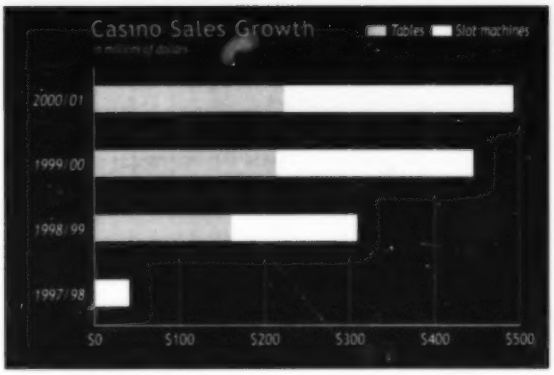
The Corporation's lottery network consists of about 2,650 retail locations and 1,200 social gaming retailers who operate in bars and pubs.

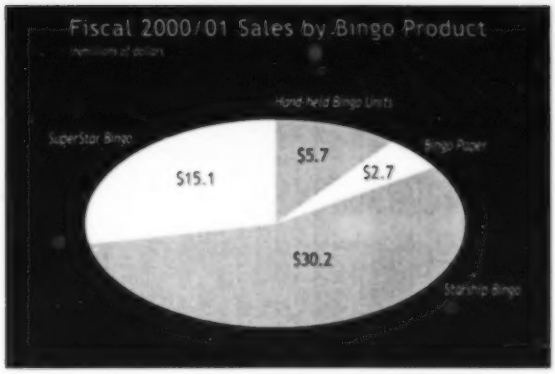
Fiscal 2000/01 lottery sales of $937 million exceeded budget by $10 million and the previous year by $29.8 million. Strong sales performance from Lotto Super 7, Club Keno and Breakopen was partially offset by lower than expected sales from Lotto 6/49 and Scratch & Win games.

While the lottery division realized strong sales, net income generated by the division did not achieve budget. A shift to higher prize games such as Club Keno, increased costs for ticket printing and the decision to increase prize funds to support Lotto 6/49 and Lotto Super 7 all contributed to lower than expected profit.

Lotteries in British Columbia are considered a mature market. Over the last four-year period, sales growth has roughly matched inflation. Competition from other forms of entertainment, an aging population, shifts in consumer demand and significant changes at retail have all contributed to a flattening of lottery sales. The maintenance of the existing lottery market share and any future growth will only result from the introduction of new innovative product lines and the continued development and refinement of the retail network.







The Corporation's casino network includes 16 community and two destination casinos that operate 2,399 slot machines and 392 gaming tables.

Fiscal 2000/01 casino net win (after prizes) of $492.3 million exceeded budget by $42.3 million and the previous year by $47.1 million. The lifting of Workers' Compensation Board smoke-free regulations, the conversion and revitalization of 20 per cent of the slot machine network, the earlier than planned implementation of the Penticton casino and a full year's operation of the Royal City Star riverboat casino all contributed to the strong sales performance.

Casino net income of $271.7 million exceeded budget by $27.6 million and the previous year by $29.4 million.

On January 31, 2001, the Corporation and the Casino Service Providers who provide operational services in British Columbia casinos reached an agreement in principle that provides for a 10-year contract with an option to renew for an additional 10 years. This agreement was ratified and became effective on March 1, 2001. The terms and conditions of the new contract will provide the certainty and stability to effectively manage casino operations in British Columbia.

The Corporation's bingo network consists of 10 electronic bingo (Starship) sites, 80 linked bingo (SuperStar) locations and 705 hand-held bingo units in 11 locations. The Corporation also distributes bingo paper to more than 1,000 charities.

Fiscal 2000/01 sales of $53.7 million were $1.1 million less than budget and $4.6 million greater than the previous year. A delay in the implementation of five new Starship sites and the temporary closing of an existing bingo hall resulted in lower than expected sales.

Fiscal 2000/01 net income of $4.9 million exceeded budget by $200,000 and the previous year by $3 million. The introduction of hand-held bingo and the implementation of a new remote-operation central system both contributed to the stronger profit performance from the bingo division.

Financial Results ($ in Millions)	1996/97	1997/98	1998/99	1999/00	2000/01 Actual	Budget	Variance
Lottery	$863.4	$883.4	$910.6	$907.2	$937.0	$927.0	$10.0
Casino	0	40.7	308.2	445.2	492.3	450.0	42.3
Bingo	4.1	18.1	42.7	49.1	53.7	54.8	(1.1)
	$867.5	**942.2**	**1,261.5**	**1,401.5**	**1,483.0**	**1,431.8**	**51.2**
	329.7	571.4	699.1	745.9	796.1	763.1	33.0
	64.9	80.5	106.4	123.6	124.9	127.6	(2.7)
Lottery	272.3	267.5	282.5	287.8	285.4	292.3	(6.9)
Casino	0	22.0	171.5	242.3	271.7	244.1	27.6
Bingo	6	8	2.0	1.9	4.9	4.7	0.2
	$272.9	**$290.3**	**$456.0**	**$532.0**	**$562.0**	**$541.1**	**$20.9**

For the 26th consecutive year, BCLC achieved record sales and profits. Sales of $1.48 billion exceeded budget by $51.2 million and the previous year by $81.5 million. Net income exceeded budget by $20.9 million and the previous year by $30 million. Strong performance from casino operations was partially offset by increasing cost pressures from lottery operations.

Direct costs of $796.1 million were $33 million greater than budget and $50.2 million greater than the previous year. The increase in direct costs reflects additional prizes and commissions directly related to the growth in sales, a shift to higher prize expense lottery games and an increase in prizes for Lotto 6/49 and Lotto Super 7.

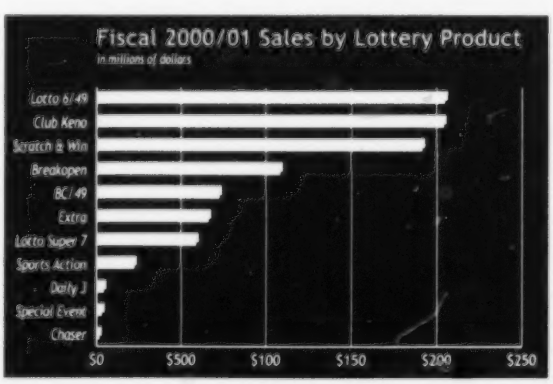
Operating costs of $124.9 million were $2.7 million less than budget and $1.3 million greater than fiscal 1999/00. One-time cost savings realized in data communications and higher interest revenues were partially offset by higher expenditures for professional fees and staffing.

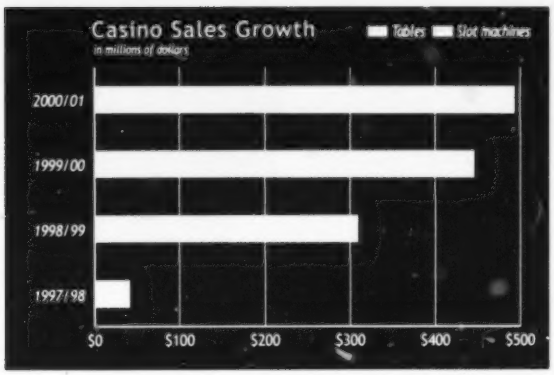
The Corporation's lottery network consists of about 2,650 retail locations and 1,200 social gaming retailers who operate in bars and pubs.

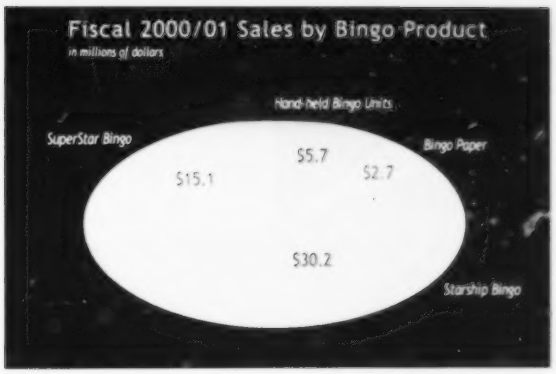
Fiscal 2000/01 lottery sales of $937 million exceeded budget by $10 million and the previous year by $29.8 million. Strong sales performance from Lotto Super 7, Club Keno and Breakopen was partially offset by lower than expected sales from Lotto 6/49 and Scratch & Win games.

While the lottery division realized strong sales, net income generated by the division did not achieve budget. A shift to higher prize games such as Club Keno, increased costs for ticket printing and the decision to increase prize funds to support Lotto 6/49 and Lotto Super 7 all contributed to lower than expected profit.

Lotteries in British Columbia are considered a mature market. Over the last four-year period, sales growth has roughly matched inflation. Competition from other forms of entertainment, an aging population, shifts in consumer demand and significant changes at retail have all contributed to a flattening of lottery sales. The maintenance of the existing lottery market share and any future growth will only result from the introduction of new innovative product lines and the continued development and refinement of the retail network.







The Corporation's casino network includes 16 community and two destination casinos that operate 2,399 slot machines and 392 gaming tables.

Fiscal 2000/01 casino net win (after prizes) of $492.3 million exceeded budget by $42.3 million and the previous year by $47.1 million. The lifting of Workers' Compensation Board smoke-free regulations, the conversion and revitalization of 20 per cent of the slot machine network, the earlier than planned implementation of the Penticton casino and a full year's operation of the Royal City Star riverboat casino all contributed to the strong sales performance.

Casino net income of $271.7 million exceeded budget by $27.6 million and the previous year by $29.4 million.

On January 31, 2001, the Corporation and the Casino Service Providers who provide operational services in British Columbia casinos reached an agreement in principle that provides for a 10-year contract with an option to renew for an additional 10 years. This agreement was ratified and became effective on March 1, 2001. The terms and conditions of the new contract will provide the certainty and stability to effectively manage casino operations in British Columbia.

The Corporation's bingo network consists of 10 electronic bingo (Starship) sites, 80 linked bingo (SuperStar) locations and 705 hand-held bingo units in 11 locations. The Corporation also distributes bingo paper to more than 1,000 charities.

Fiscal 2000/01 sales of $53.7 million were $1.1 million less than budget and $4.6 million greater than the previous year. A delay in the implementation of five new Starship sites and the temporary closing of an existing bingo hall resulted in lower than expected sales.

Fiscal 2000/01 net income of $4.9 million exceeded budget by $200,000 and the previous year by $3 million. The introduction of hand-held bingo and the implementation of a new remote-operation central system both contributed to the stronger profit performance from the bingo division.

Introduction

Pursuant to amendments to the Criminal Code of Canada in 1969 and enabling legislation, British Columbia Lottery Corporation (BCLC) was incorporated pursuant to the Company Act of British Columbia on October 25, 1984, and is continued under the Lottery Corporation Act of British Columbia (1985). Prior to 1985, the Province of British Columbia was a partner in the Western Canada Lottery Foundation.

As an agent of the Crown, BCLC is the designated authority to conduct and manage lottery schemes within British Columbia, including the marketing of nationwide and regional lottery games in association with other provinces of Canada.

Under current provincial gaming policy, the Corporation has responsibility to:

- conduct, manage and operate lottery gaming, both traditional and social products
- conduct, manage and operate casino gaming, both community and destination casinos
- conduct, manage and operate bingo gaming, both electronic and linked

In calculating revenues, BCLC remains consistent with other Canadian lottery jurisdictions. Lottery sales revenues are calculated on gross sales before prizes; casino revenues are recorded on the basis of net win after prizes.

Performance Measures

BCLC's mission statement and objectives reflect the Corporation's principal mandate to provide high-quality gaming entertainment, within the policy framework set by the Government of British Columbia, for the benefit of all British Columbians. The Corporation also strives to be socially responsible and to act as a good corporate citizen.

BCLC measures its performance against its six corporate objectives.

BCLC focuses on products, services and distribution channels in meeting its objective to provide high-quality gaming entertainment.

Among major initiatives in fiscal 2000/01, the Corporation opened British Columbia's second destination casino, revitalized a portion of the slot machine network provincewide, opened two new Starship Bingo (electronic bingo) sites, conducted an expanded test of hand-held bingo units, and introduced the lottery game Chaser in the social gaming network.

The Corporation tracks the public participation rate in lottery gaming. In a random survey conducted every four weeks, adults are asked if they have played any lottery games in the previous 30 days. The public participation rate for fiscal 2000/01 was 66.5 per cent, compared to the target of 65 per cent and 65.6 per cent for the previous fiscal year.

Lotteries are considered a mature business segment. Competition from other forms of entertainment, an aging population, shifts in consumer demand and significant changes at retail have contributed to a flattening of lottery sales in British Columbia.

As a result of sales performance in fiscal 1999/2000, the Corporation engaged a consulting firm to complete a review of sales and distribution strategies for lottery products. Among its findings, the study concluded that adding online lottery terminals and recruiting non-traditional retail locations could increase lottery sales in British Columbia. BCLC embarked on a pilot study to validate the findings of the study. This study will conclude in fiscal 2001/02 and provide data to establish long-term strategies and objectives for the lottery division.

Lottery and bingo players collected a total of $539.2 million in prizes in fiscal 2000/01. Prize payments represent the Corporation's single, largest expenditure. As a percentage of lottery sales, prizes were 54.4 per cent, 1.4 per cent greater than budget and 1.3 per cent greater than the same period last year. The increase reflects higher prize funding for Lotto 6/49 and Lotto Super 7 and a shift to higher prize games.

Changing demographics and changes in political and social attitudes are among the factors impacting the way gaming is conducted and managed in British Columbia. BCLC is upheld by the pillars of security, integrity and social responsibility. As well as generating significant revenues that are returned to the people through government programs and charitable causes, the Corporation is a committed corporate citizen lending sponsorship support to community events, celebrations and volunteers throughout British Columbia.

To address problem gambling issues, BCLC has formed partnerships with the Government of British Columbia, groups

and social agencies to promote awareness and education and provide reliable information. From BCLC net income, Government provided $2 million annually to the Ministry for Children and Families to develop and deliver treatment and prevention programs. The Corporation supported Government's initiative to increase funding to $4 million annually.

BCLC is committed to developing research on many subjects related to the impact of gaming on the public. A 1994 survey on problem gambling commissioned by BCLC was replicated in 1996. In fiscal 2001/02, the Corporation will partner with the Ministry for Children and Families to replicate the survey.

BCLC tracks the public's attitude toward the Corporation. In random surveys conducted every four weeks by an external research agency, individuals are asked the degree to which they feel favourable or unfavourable toward the Corporation. The acceptance rating for fiscal 2000/01 was 47.5 per cent, below the target of 50 per cent and 48.1 per cent for the previous year. This is attributed to strong public opinion and various controversies associated with the implementation of Government's new gaming policy introduced in 1997.

The Corporation recognizes the importance of a sound, responsible gambling policy and will continue to work hard to develop the gaming industry in British Columbia in partnership with the Government of British Columbia, municipalities and other key stakeholders.

Providing part-time and full-time employment opportunities for designated equity groups – women, people with disabilities, Aboriginal Peoples and visible minorities – plus youth advances the Corporation's aims to be responsible, trustworthy and progressive.

BCLC places job advertisements in specific media outlets that are known to reach equity groups. In fiscal 2000/01, the Corporation received 3,204 job applications, of which 66 per cent were from designated equity groups.

Job applications for both internal and external job postings are reviewed as part of the equity measurement. The Corporation hired 113 new part-time and full-time employees, 85 of them from designated equity groups.

In the youth category, 52 employees under the age of 25 were hired, 17 fewer than in the previous fiscal year.

BCLC markets and distributes gaming products to the adult population in British Columbia. Surveys conducted by external research agencies show that about 66.5 per cent of adults play lotteries on a regular basis. Key characteristics include: Lottery play is relatively equal between men and women; 69 per cent of players are over age 35; 63 per cent of players have some post-secondary education; and 63 per cent of lottery players are from households with an annual income greater than $40,000.

BCLC has a comprehensive recruitment process and training program for lottery retailers. Through various programs and support services, the Corporation helps retailers provide exceptional customer service.

An annual survey conducted by an external research agency measures consumer satisfaction with the level of service provided by retailers. In fiscal 2000/01, customer ranking of retailer services was 89 per cent. This compares to the target of 90 per cent, and the 95 per cent satisfaction rating achieved in the previous year.

BCLC measures the effectiveness of its retailer programs by annually surveying retailers about their satisfaction with the level of service provided by the Corporation. Retailer satisfaction for fiscal 2000/01 was 93 per cent, 3 per cent greater than the target of 90 per cent.

Commissions represent one of the Corporation's largest expenditures, and the Corporation aims to ensure that lottery retailers, casino service providers and bingo operators are fairly remunerated. Commissions include selling commissions, service fees, and retailer bonuses and incentives. In fiscal 2000/01, lottery retailers, casino service providers and bingo operators received $241.2 million in commissions and service fees.

Change has been a way of life for BCLC employees in recent years. Over fiscal 2000/01, the Corporation implemented an action plan, Building Our Future Together, developed through an employee survey in the previous fiscal year.

The employee turnover rate is a measure of BCLC's human resources practices. In fiscal 2000/01, 4.4 per cent of permanent, full-time employees left the organization.

Absenteeism, which includes sick days and short-term disability only, provides one measure of the Corporation's

productivity. BCLC's absenteeism rate in fiscal 2000/01 was 1.72 per cent.

Workdays lost due to workplace accidents are a measure of workplace safety programs. There were 21 reported accidents in fiscal 2000/01 that resulted in 268 lost workdays. This increase reflects expansion into field operations and an increased number of employees.

BCLC's goal is to perform at or better than the best practices within the industry and to measure performance in critical areas of operation.

Operating expenses include administration, operations, amortization, and interest and other income. Operating expenses for 2000/01 were $124.9 million, $2.7 million less than budget and $1.3 million greater than the previous fiscal year. One-time costs savings realized in data communications and lower than budgeted amortization expenditures were partially offset by higher costs for professional fees, staff development and recruitment, and salaries and benefits.

BCLC operates an online gaming system 24 hours a day. Sales are available from 6 a.m. to 1 a.m. every day except December 25. In fiscal 2000/01, the Corporation generated online sales of $634.1 million through a network of about 3,450 online retailers. Online system game availability for fiscal 2000/01 was 99.98 per cent, compared to the target of 99.95 per cent and 99.90 per cent in the previous fiscal year.

BCLC distributes net income to the Government of British Columbia, which returns this money to British Columbians through government programs. These include health care and education, general revenue, direct access grants to charities, municipal revenue sharing and funding to support problem gambling programs.

Combined lottery, casino and electronic bingo revenues for fiscal 2000/01 were $1.483 billion, $51.2 million greater than budget and $81.5 million greater than fiscal 1999/2000.

BCLC generated net income of $562 million, of which $554.6 million was distributed to the Government of British Columbia and $7.4 million to the Government of Canada. This represents an increase of $20.9 million greater than budget and $30 million greater than the previous fiscal year. The positive variance over budget reflects strong sales performance from casino operations and lower than expected operating expenses.

Lottery sales of $937 million exceeded budget by $10 million and the previous fiscal year by $29.8 million. Strong performance from Lotto Super 7, Club Keno and Breakopen was partially offset by lower than expected sales from Lotto 6/49 and Scratch & Win.

Casino net win of $492.3 million exceeded budget by $42.3 million and the previous fiscal year by $47.1 million. The lifting of the Workers' Compensation Board environmental tobacco smoke regulations, the revitalization of the slot machine network, the earlier than planned opening of Lake City Casino Penticton destination casino, and a full year of operation of the Royal City Star destination casino contributed to strong sales performance.

Electronic bingo sales of $53.7 million were $1.1 million less than budget and $4.6 million greater than the previous year. A delay in implementing five new Starship Bingo (electronic bingo) sites – two sites opened in the last quarter of the fiscal year – and the temporary closing of an existing bingo hall resulted in lower than expected sales.

To the Directors of
British Columbia Lottery Corporation:

We have audited the consolidated balance sheet of British Columbia Lottery Corporation as at March 31, 2001 and the consolidated statements of income, amounts due to Government of British Columbia, and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2001 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Company Act, (British Columbia), we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Chartered Accountants
Kamloops, Canada
April 12, 2001

Consolidated Balance Sheet

March 31, 2001, with comparative figures for 2000 — *in thousands of dollars*

	2001	2000
Assets		
Cash:		
Short-term investments	$ 78,648	$ 91,870
Bank	2,232	2,303
	80,880	94,173
Accounts receivable (note 3)	35,998	28,504
Receivable from Interprovincial Lottery Corporation	—	4,745
Prepaid expenses	5,261	6,346
Accrued pension plan asset (note 4)	4,642	—
Capital assets (note 5)	20,541	25,872
	$ 147,322	$ 159,640
Liabilities		
Prizes payable	$ 55,486	$ 57,804
Accounts payable and accrued liabilities	35,512	28,339
Accrued post retirement benefit obligation (note 4)	10,682	—
Payable to Interprovincial Lottery Corporation	1,865	—
Due to Government of British Columbia	43,777	73,497
	$ 147,322	$ 159,640

See accompanying notes to consolidated financial statements.

Approved:

Director

Director

Consolidated Statement of Income

Years ended March 31, 2001, with comparative figures for 2000 — *in thousands of dollars*

	2001	2000
Revenues (note 6)	$ 1,483,041	$ 1,401,530
Direct expenses:		
Prizes	539,150	509,788
Retail commissions	241,220	220,925
Ticket printing and bingo paper	15,778	15,192
	796,148	745,905
Revenues less direct expenses	686,893	655,625
Operating expenses (note 13):		
Administrative expenses	84,351	80,577
Amortization	18,753	19,752
Less: Interest and other income	(4,846)	(6,235)
	98,258	94,094
Income from operations	588,635	561,531
GST expense	26,601	29,530
	$ 562,034	$ 532,001
Allocation of net income:		
Government of British Columbia	$ 550,956	$ 522,875
Government of Canada (note 7)	7,427	7,214
Payments pursuant to ministerial direction (note 8)	3,651	1,912
	$ 562,034	$ 532,001

Segmented information (note 13)

See accompanying notes to consolidated financial statements.

Consolidated Statement of Amounts Due to Government of British Columbia

Years ended March 31, 2001, with comparative figures for 2000 — *in thousands of dollars*

	2001	2000
Balance, beginning of year	$ 73,497	$ 75,410
Net income	562,034	532,001
	635,531	607,411
Adjustment for accrued post retirement benefit obligation (note 2 (j))	9,488	—
Adjustment for accrued pension benefit asset adjustment (note 2 (j))	(4,642)	—
Payments to Government of British Columbia	579,481	526,700
Allocation of income to Government of Canada	7,427	7,214
	591,754	533,914
	$ 43,777	$ 73,497

See accompanying notes to consolidated financial statements.

Consolidated Statement of Cash Flows

Years ended March 31, 2001, with comparative figures for 2000 — *in thousands of dollars*

	2001	2000
Net income	$ 562,034	$ 532,001
Adjustments for:		
Amortization of capital assets	18,753	19,752
	580,787	551,753
Changes in non-cash operating items	6,250	(11,390)
	587,037	540,363
Payments to Government of British Columbia	(579,481)	(526,700)
Allocation of income to Government of Canada	(7,427)	(7,214)
	(586,908)	(533,914)
Additions to capital assets	(13,422)	(10,183)
Decrease in cash	(13,293)	(3,734)
Cash, beginning of year	94,173	97,907
	$ 80,880	$ 94,173

See accompanying notes to consolidated financial statements.

Years ended March 31, 2001 and 2000 *in thousands of dollars*

1. Nature of the Corporation:

The British Columbia Lottery Corporation was incorporated under the Company Act of British Columbia on October 25, 1984, and is continued under the Lottery Corporation Act of British Columbia. The Corporation is an agent of the Crown.

The Province has designated the Corporation as the authority to conduct and manage lottery schemes within British Columbia and to co-operate in the conduct and management of national and regional lottery schemes with other Provinces of Canada.

The Corporation conducts and manages the following lottery schemes in British Columbia: DAILY 3, SCRATCH & WIN, BC/49, CHASER, CLUB KENO, EXTRA, SPORTS ACTION, BREAKOPEN, STARSHIP BINGO, SUPERSTAR BINGO, CARDMINDER BINGO and casino games including slot machines and table games.

The Corporation is the regional marketing organization for the SPECIAL EVENT, LOTTO 6/49 and LOTTO SUPER 7 games in British Columbia. These games are joint undertakings by the provinces acting through the Interprovincial Lottery Corporation. The Interprovincial Lottery Corporation is incorporated under the Canada Business Corporations Act, and its shares are held by Her Majesty The Queen in right of the respective provinces.

2. Significant accounting policies:

(i) The financial statements of the Corporation have been prepared in accordance with Canadian generally accepted accounting principles.

(ii) The consolidated financial statements include B.C. Lottotech International Inc., a wholly owned subsidiary of the British Columbia Lottery Corporation.

Short-term investments are valued at the lower of cost and market.

The Corporation's policy on capital purchases is that any major purchase which has a future useful life beyond the current year and which will materially affect income in the year purchased will be capitalized.

The Corporation's capital assets are recorded at their original cost and are amortized on the straight-line basis over their estimated useful lives, as follows:

Asset	Rate
Building and leasehold improvements	5 years
Furniture and equipment	5 years
Computer equipment	3 years
On-line gaming terminals	3 years
Breakopen vending machines	3 years
Signs and fixtures:	
Computer	3 years
Non-computer	5 years
Bingo equipment	3 years
Casino equipment	3 years

Amortization is prorated in the year the assets are put in use.

The Corporation has a defined benefit pension plan covering substantially all of its employees. The benefits are based on years of service, and the lesser of the average of the highest 60 consecutive months earnings of employment and the average of the Year's Maximum Pensionable Earnings over the same period. The cost of this program is being funded currently by employee and employer contributions.

The Corporation also sponsors post retirement benefit life insurance and health care plans for substantially all retirees. The Corporation measures the costs of its obligation based on its best estimate.

2. Significant accounting policies (continued):

The Corporation accrues its obligations under employee benefit plans as the employees render the services necessary to earn the pension and other employee future benefits. The Corporation has adopted the following policies:

- The cost of pensions and other retirement benefits earned by employees is actuarially determined using the projected benefit method pro rated on service and management's best estimate of expected plan investment performance, salary escalation, retirement ages and expected health care costs.
- For the purpose of calculating expected return on plan assets, those assets are valued at fair value.
- Past service costs from plan amendments are amortized on a straight-line basis over the average remaining service period of employees active at the date of the amendment.
- An unfunded liability may be amortized over no more than 15 years through special payments as required under the Pension Benefits Standards Act. A funding excess may be applied immediately to reduce required employer current service contributions, however, the reduction in contributions may not cause the funding excess to drop below 5% of the pension plan benefit obligation. Further, the use of a funding excess must be amortized over a minimum of 5 years.

(c) Lottery games:

Revenue from the sale of lottery tickets and the associated selling costs and prize expenses are included in the statement of income in the period the ticket is sold.

(d) Bingo games:

Revenue from the operation of electronic and linked Bingo and the associated selling costs and prize expenses are included in the statement of income in the same period the game is played.

(e) Casinos:

Revenues from casino slot machines and table games are recorded in the statement of income, net of prizes paid. Related operating costs are recorded in the statement of income in the period they are incurred.

(f) Lottery prize expenses are recorded based on the theoretical prize liability expected for each game. The actual expense incurred each year will vary from this estimate based on the nature of games of chance. Over a long period of time, it is expected that the actual prize expense will approximate the theoretical expense. Expired prize funds are to be paid out through bonus draws, promotions and retailer incentives.

(g) Software development costs are expensed in the period in which they are incurred.

(h) Use of estimates:

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

(i) Income taxes:

As the Corporation is an agent of the Crown it is not subject to federal or provincial corporate income taxes or corporate capital taxes.

(j) Change in accounting policy:

Effective April 1, 2000, the Corporation adopted the new accounting standard of the Canadian Institute of Chartered Accountants (CICA) relating to employee future benefits. Section 3461 of the CICA handbook requires companies to recognize the cost of retirement benefits and certain other post-employment benefits over the periods in which the employees render services to the entity in return for the benefits and with respect to pensions, requires the use of a discount rate, that is set with reference to market interest rates on high-quality debt instruments, to measure the accrued benefit obligation. Prior to the adoption of the new accounting standard, non-pension employment benefits were accounted for on a cash basis by the Corporation and pension expense was determined using a long-term rate of return to measure accrued pension benefits. The new standard has been retroactively applied with no restatement of prior year comparative amounts. The result of this application is a charge to amounts due to the Province of British Columbia in the amount of $9,488 for the accrued post retirement benefit obligation and a credit of $4,642 for the accrued pension plan asset, as of April 1, 2000.

3. Accounts receivable:

	2001	2000
Retailers	$ 32,355	$ 25,748
Other	3,643	2,756
	$ 35,998	$ 28,504

4. Employee future benefits:

The Corporation has a defined benefit pension plan and a post retirement benefit life insurance and health care plan covering substantially all of its employees.

Information about the Corporation's defined benefit plans is as follows:

	Pension Plan 2001	Post Retirement Benefit Plans 2001
Accrued benefit obligation		
Balance at beginning of year	$ 28,825	$ 9,488
Current service cost	1,773	702
Interest cost	2,094	598
Employee contributions	1,232	—
Benefits paid	(554)	(106)
Actuarial gains	(2,863)	(1,131)
	30,507	9,551
Plan assets		
Fair value at beginning of year	33,467	—
Annual return on plan assets	(459)	—
Employer contributions	1,669	106
Employee contributions	1,232	—
Benefits paid	(554)	(106)
Balance at end of year	35,355	—
Funded status - surplus (deficit)	4,848	(9,551)
Unamortized net actuarial gain	(206)	(1,131)
	$ 4,642	$ (10,682)

4. Employee future benefit (continued):

The significant actuarial assumptions adopted in measuring the Corporation's accrued benefit obligations are as follows:

	Pension Plan 2001	Post Retirement Benefit Plans 2001
At beginning of period:		
Discount rate	7.0%	7.0%
Expected rate of return on plan assets	7.0%	—
Rate of compensation increase	5.0%	—
Health care cost trend rate:		
First year	—	5.68%
Ultimate	—	4.10%
Year ultimate reached	—	2005
At end of period:		
Discount rate	7.5%	7.5%
Rate of compensation increase	5.0%	—

The Corporation's net benefit plan expense is as follows:

	Pension Plan 2001	Post Retirement Benefit Plans 2001
Current service cost, net of employees' contributions (including provision for plan expenses)	$ 1,773	$ 702
Interest cost	2,094	598
Expected return on plan assets	(2,425)	—
	$ 1,442	$ 1,300

Years ended March 31, 2001 and 2000 *in thousands of dollars*

			2001	2000
	Cost	Accumulated amortization	Net	Net
Land	$ 700	$ —	$ 700	$ 700
Building and leasehold improvements	28,679	24,345	4,334	3,340
Furniture and equipment	4,141	3,503	638	242
Central system computer	23,168	22,587	581	875
On-line gaming terminals	36,794	35,892	902	373
Breakopen vending machines	7,760	7,066	694	526
Signs and fixtures	5,555	4,496	1,059	860
Bingo equipment	13,434	12,009	1,425	3,595
Casino equipment	36,592	26,384	10,208	15,361
Instant ticket dispensers	28	28	—	—
	$ 156,851	$ 136,310	$ 20,541	$ 25,872

6. REVENUES:

	2001	2000
LOTTO 6/49	$ 204,692	$ 218,208
CLUB KENO	204,009	185,234
SCRATCH & WIN	191,478	182,091
BREAKOPEN	108,193	108,566
BC/49	72,492	75,603
EXTRA	66,065	64,908
LOTTO SUPER 7	58,690	43,030
SPORTS ACTION	22,299	22,230
DAILY 3	4,304	4,465
SPECIAL EVENT	3,168	2,915
CHASER	1,598	—
	936,988	907,250
SUPERSTAR BINGO	15,099	16,833
STARSHIP BINGO	30,220	28,963
CARDMINDER BINGO	5,697	216
Paper	2,759	3,061
	53,775	49,073
Slot machines	268,898	230,526
Table games	223,380	214,681
	492,278	445,207
	$ 1,483,041	$ 1,401,530

7. PAYMENTS TO GOVERNMENT OF CANADA:

The Interprovincial Lottery Corporation (I.L.C.) makes inflation-adjusted payments to the Government of Canada as a result of an agreement between the provincial governments and the Government of Canada on the withdrawal of the Government of Canada from the lottery field. The Corporation remits British Columbia's share of the above payments to I.L.C. Payments under this agreement are estimated to be $ 7,400 (2000 - $ 7,200) for the next fiscal year ending March 31, 2002.

8. PAYMENTS PURSUANT TO MINISTERIAL DIRECTION:

Pursuant to Section 22 of the Financial Administration Act, the Corporation has been directed to pay for the Problem Gambling Program costs administered by the Ministry for Children and Families (and the costs of the Gaming Policy Secretariat in 2000/01).

9. INTERPROVINCIAL LOTTERY CORPORATION EXPENSES AND INTEREST INCOME:

The Corporation's share of the Interprovincial Lottery Corporation (I.L.C.) prize and ticket printing costs for national games is recognized in the appropriate category of direct expenses. The Corporation's share of the I.L.C.'s interest income less operating expenses is included in interest and other income.

10. LEASE OBLIGATIONS:

The Corporation is committed to payments under operating leases for premises.

Minimum annual rental payments for the next five years are approximately as follows:

2002	$ 1,246
2003	1,120
2004	906
2005	834
2006	625

11. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES:

The carrying value of accounts receivable, prizes payable, payable to the Interprovincial Lottery Corporation, accounts payable and accrued liabilities and due to Government of British Columbia are recorded at cost which approximates fair value.

12. COMPARATIVE FIGURES

Certain of the prior year's comparative figures have been reclassified to conform to the current year's presentation.

13. SEGMENTED INFORMATION:

Year ended March 31, 2001

Sector of activity	Lotteries	Casinos	Bingos	Consolidated
Revenues	$ 936,988	$ 492,278	$ 53,775	$1,483,041
Direct expenses:				
Prizes	509,712	—	29,438	539,150
Retailer commissions	63,657	170,275	7,288	241,220
Ticket printing and bingo paper	13,471	—	2,307	15,778
	586,840	170,275	39,033	796,148
Revenue less direct expenses	350,148	322,003	14,742	686,893
Operating expenses:				
Administrative expenses	55,255	24,654	4,442	84,351
Amortization	3,628	10,909	4,216	18,753
Less: Interest and other income	(5,816)	795	175	(4,846)
	53,067	36,358	8,833	98,258
Income from operations	297,081	285,645	5,909	588,635
GST expense	11,693	13,887	1,021	26,601
	$ 285,388	$ 271,758	$ 4,888	$ 562,034

Years ended March 31, 2001 and 2000 *in thousands of dollars*

Year ended March 31, 2000

Segment of activity	Lotteries	Casino	Bingo	Consolidated
Revenues	$ 907,250	$ 445,207	$ 49,073	$ 1,401,530
Direct expenses:				
Prizes	481,611	—	28,177	509,788
Retailer commissions	60,762	154,182	5,981	220,925
Ticket printing and bingo paper	12,642	—	2,550	15,192
	555,015	154,182	36,708	745,905
Revenue less direct expenses	352,235	291,025	12,365	655,625
Operating expenses:				
Administrative expenses	52,112	23,237	5,228	80,577
Amortization	7,066	8,856	3,830	19,752
Less: Interest and other income	(6,590)	279	76	(6,235)
	52,588	32,372	9,134	94,094
Income from operations	299,647	258,653	3,231	561,531
GST expense	11,837	16,373	1,320	29,530
Net income	$ 287,810	$ 242,280	$ 1,911	$ 532,001

Winners have experienced the fun of pocketing a couple of dollars, the thrill of becoming a millionaire and the priceless feeling of peace of mind. Over 26 years of lotteries in British Columbia, $6.3 billion has been won by players, which includes more than 340 millionaires created since 1985.

...loyd Kennedy was among ...
... and the winner of the ...
... claimed the $12.5 million jac...
... the April 7 Lotto Super 7 dr...

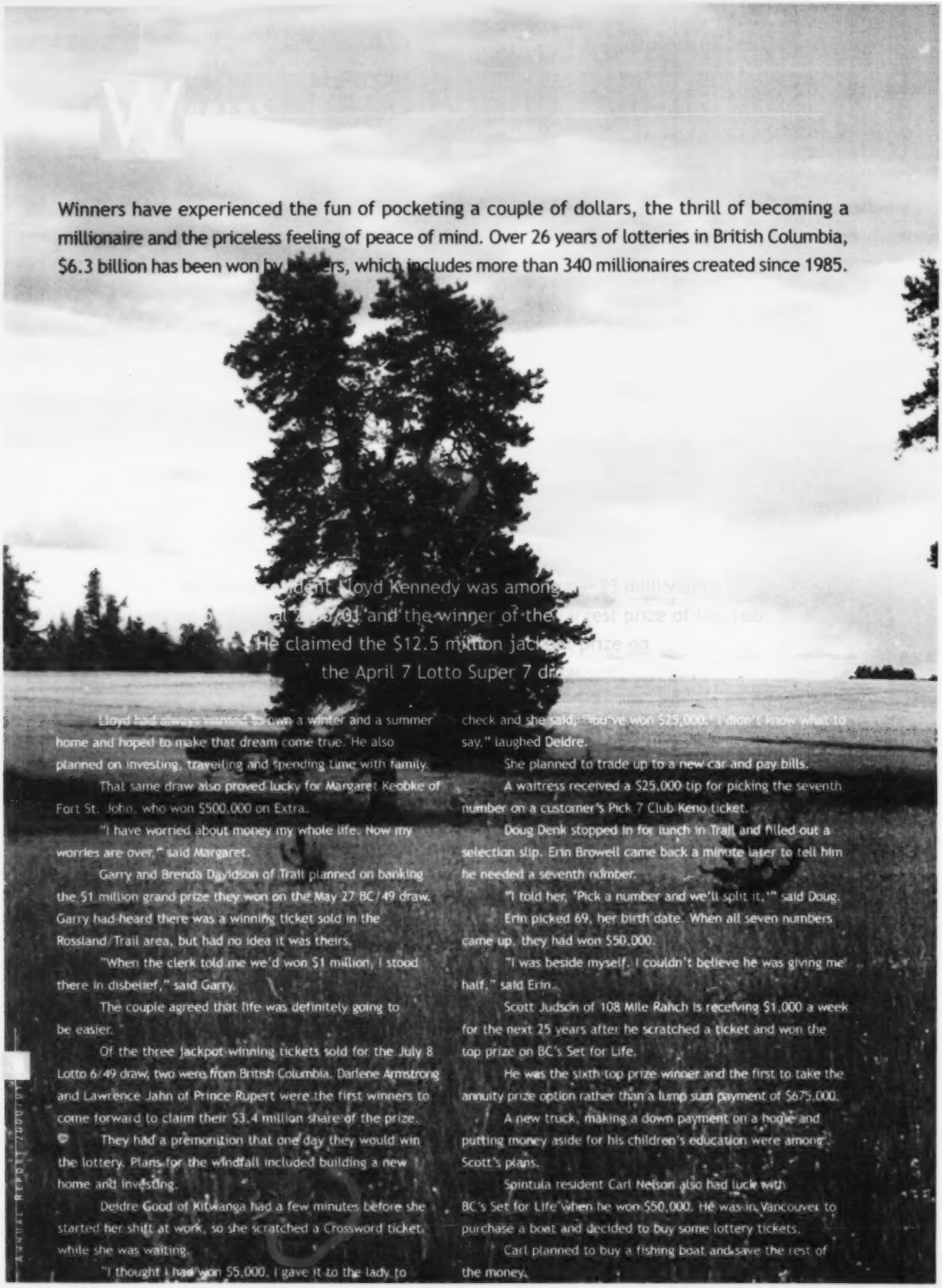
... a ... and a summer ... check and sh...
... make that dream come true. He also ... say," laughed ...
... spending time with family.
That same draw ... Kes...
Fort St. John, who won $500,000 on Extra.
"I have worries about money, my whole life ...

... A waitress received a $25,000 tip for picking the seventh ... number on a customer's Pick 7 Club Keno ticket.

... plan ... to ...
... the $1 million grand prize ... for the May 27/97 draw ...
Garry had heard there was a winning ticket sold in the Rossland/Trail area, but had no idea it was theirs.
"When the clerk told me we'd won $1 million I stood there in disbelief," said Garry.
The couple agreed that life was definitely going to be easier.
Of the three Jackpot-winning tickets sold for the July 5 Lotto 6/49 draw, two were from British Columbia. Darlene Amstrong and Lawrence Jahn of Prince Rupert were the first winners to come forward to claim their $5.4 million share of the prize.
They had a premonition that one day they would win the lottery. Plans for the windfall included building a new home and investing.
Darlene Good of Kootenay Bay, a few minutes before she started her shift at work, scratched a Quick 6 ticket while she was waiting.
"I thought I had won $5,000. I gave it to the lady to ...

... told her "Pick a number and we'll split it," said Doug. ... I'm picked 69, her birth date. When all seven numbers ... they had won $50,000.
"I was beside myself ... couldn't believe he was giving me half," said Erin.
Scott Judson of 108 Mile Ranch is receiving $1,000 a week for the next 25 years after he scratched a ticket and won the top prize on BC's Set for Life.
He was the sixth top prize winner and the first to take the annuity prize option rather than a lump sum payment of $675,000.
A new truck, additional down payments on a house and putting money aside for his children's education were among Scott's plans.
Saintula resident Carl Nelson also had Lucky with BC's Set for Life. When he won $60,000, he went to Vancouver to purchase a boat and decided to buy some lottery tickets.
Carl planned to buy a fishing boat and save the rest of the money.

Winners have experienced the fun of pocketing a couple of dollars, the thrill of becoming a millionaire and the priceless feeling of peace of mind. Over 26 years of lotteries in British Columbia, $6.3 billion has been won by players, which includes more than 340 millionaires created since 1985.



Resident Lloyd Kennedy was among [illegible] and the winner of the [illegible]. He claimed the $12.5 million jackpot prize on the April 7 Lotto Super 7 draw.

Lloyd had always wanted to own a winter and a summer home and hoped to make that dream come true. He also planned on investing, travelling and spending time with family.

That same draw also proved lucky for Margaret Keobke of Fort St. John, who won $500,000 on Extra.

"I have worried about money my whole life. Now my worries are over," said Margaret.

Garry and Brenda Davidson of Trail planned on banking the $1 million grand prize they won on the May 27 BC/49 draw. Garry had heard there was a winning ticket sold in the Rossland/Trail area, but had no idea it was theirs.

"When the clerk told me we'd won $1 million, I stood there in disbelief," said Garry.

The couple agreed that life was definitely going to be easier.

Of the three jackpot winning tickets sold for the July 8 Lotto 6/49 draw, two were from British Columbia. Darlene Armstrong and Lawrence Jahn of Prince Rupert were the first winners to come forward to claim their $3.4 million share of the prize.

They had a premonition that one day they would win the lottery. Plans for the windfall included building a new home and investing.

Deidre Good of Kitwanga had a few minutes before she started her shift at work, so she scratched a Crossword ticket while she was waiting.

"I thought I had won $5,000. I gave it to the lady to check and she said, 'You've won $25,000.' I didn't know what to say," laughed Deidre.

She planned to trade up to a new car and pay bills.

A waitress received a $25,000 tip for picking the seventh number on a customer's Pick 7 Club Keno ticket.

Doug Denk stopped in for lunch in Trail and filled out a selection slip. Erin Browell came back a minute later to tell him he needed a seventh number.

"I told her, 'Pick a number and we'll split it,'" said Doug.

Erin picked 69, her birth date. When all seven numbers came up, they had won $50,000.

"I was beside myself. I couldn't believe he was giving me half," said Erin.

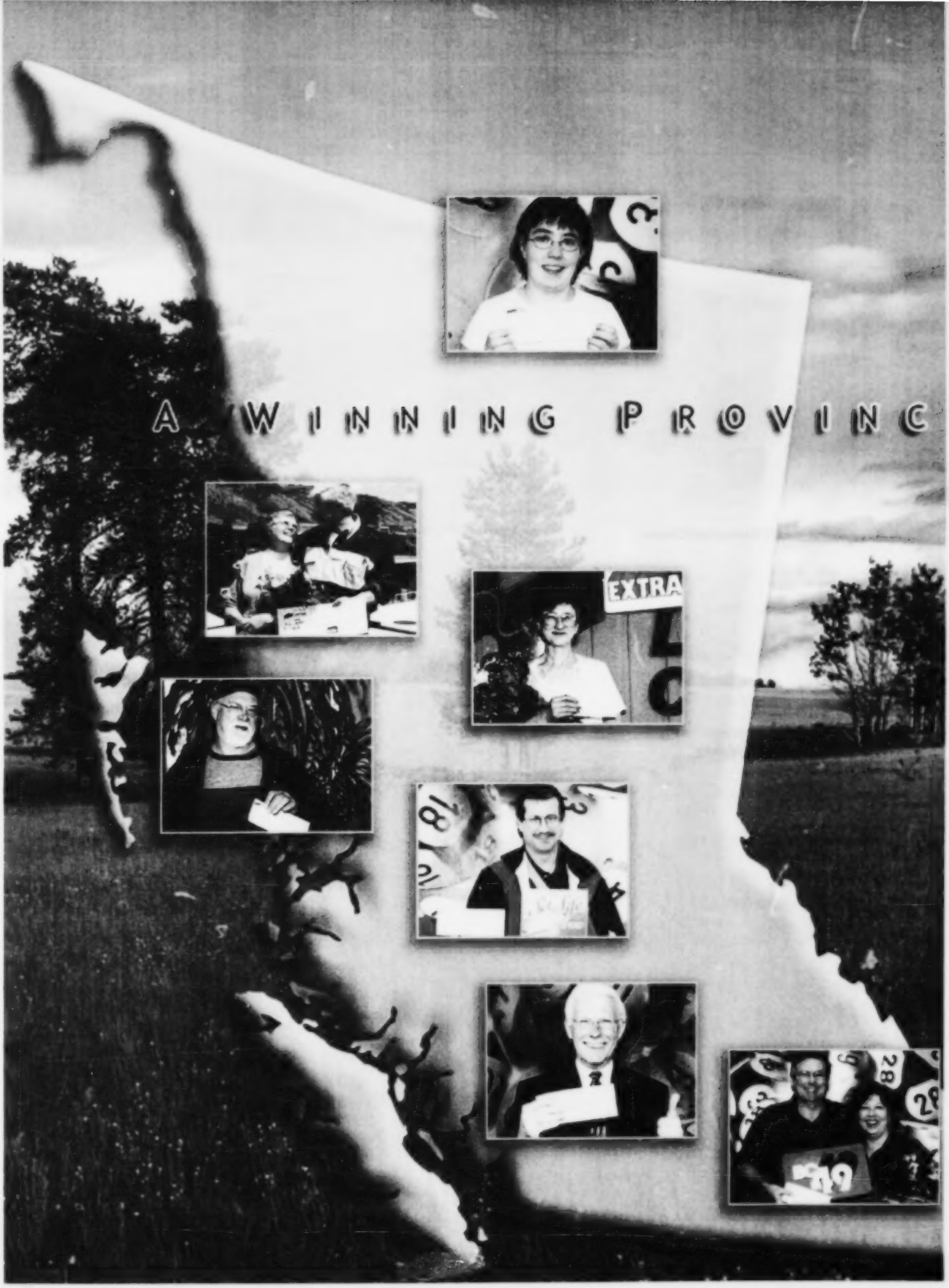
Scott Judson of 108 Mile Ranch is receiving $1,000 a week for the next 25 years after he scratched a ticket and won the top prize on BC's Set for Life.

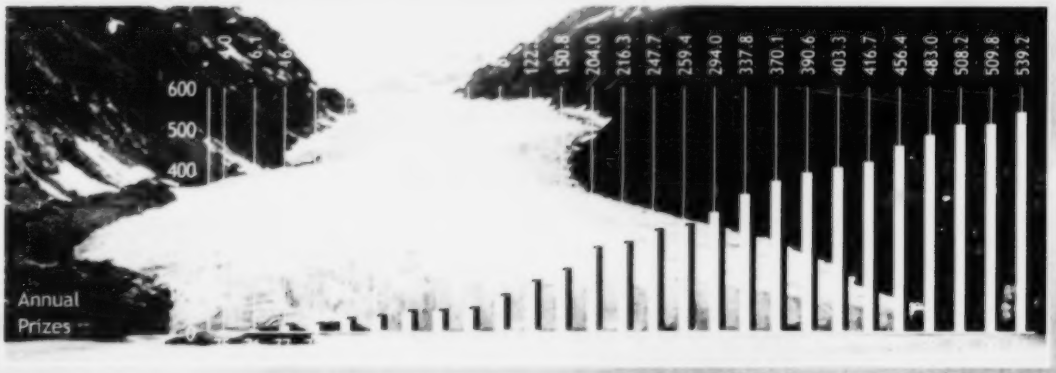
He was the sixth top prize winner and the first to take the annuity prize option rather than a lump sum payment of $675,000.

A new truck, making a down payment on a house and putting money aside for his children's education were among Scott's plans.

Spintula resident Carl Nelson also had luck with BC's Set for Life when he won $50,000. He was in Vancouver to purchase a boat and decided to buy some lottery tickets.

Carl planned to buy a fishing boat and save the rest of the money.


A WINNING PROVINC
EXTRA



Comments on winning...

...asks winners of $10,000 and greater about their winning experience. Here are some of the comments they have shared.

"I have a newer vehicle, paid off all my debts, shared my winnings with my parents and I have plenty of money in the bank. I feel very comfortable with my financial situation now."

"I had just retired, so paying off my car made my pension go further."

"Enjoyed a few months of stress-free lifestyle."

"I did buy a much-needed vehicle, but more importantly I was able to pay for my daughter's wedding."

"I was able to put aside money for my children in a trust for their future."

...and advice to future lottery winners

"Enjoy your windfall and spend it wisely."

"Take time to really decide what you would like to do with your money."

"Don't take your time, invest. Maybe like us you can work less and smell the roses more."

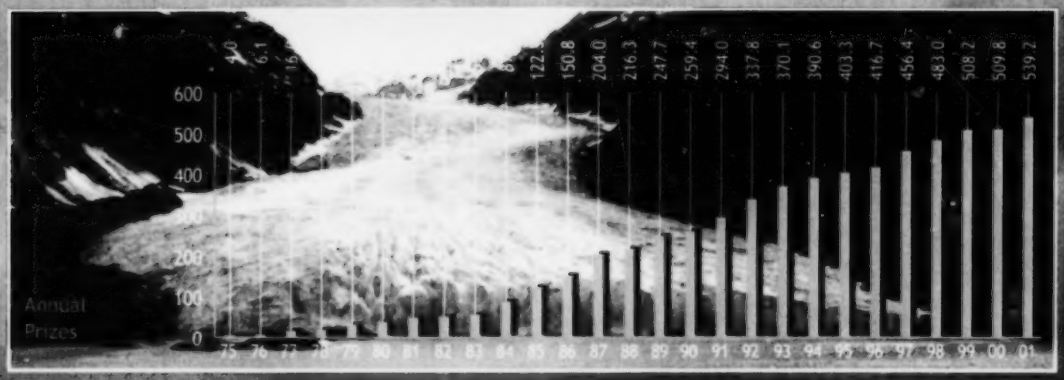
"Don't overspend on lotteries. If you are going to win, it can cost as little as $2."

"You can't win unless you have a ticket. When you do win just enjoy it all and be happy. I most certainly was."

"Share your winnings with others."

"Think seriously about your priorities, your future and your family. Take time to ground yourself."

"Play with a small amount of your money to treat yourself for your win, but sit on most of it until you can create a solid future for your family."



Comments on winning...

Through a voluntary survey, BCLC annually asks winners of $10,000 and greater about their winning experience.
Here are some of the comments they have shared.

"It was especially gratifying to share some of my windfall with family members. That was a promise I made when I started buying lottery tickets years ago."

"The money I won helped me to pay off most of my outstanding debts and give something to my children and grandchildren. I sat at the same table at the bingo hall with five other people and after my big win I took them and their spouses to dinner."

"Retirement is a little more comfortable."

"I have a newer vehicle, paid off all my debts, shared my winnings with my parents and I have plenty of money in the bank. I feel very comfortable with my financial situation now."

"I had just retired, so paying off my car made my pension go further."

"Enjoyed a few months of stress-free lifestyle."

"I did buy a much-needed vehicle, but more importantly I was able to pay for my daughter's wedding."

"I was able to put aside money for my children in a trust for their future."

...and advice to future lottery winners

"Enjoy your windfall and spend it wisely."

"Take time to really decide what you would like to do with your money."

"Just take your time; invest. Maybe like us you can work less and smell the roses more."

"Don't overspend on lotteries. If you are going to win, it can cost as little as $2."

"You can't win unless you have a ticket. When you do win just enjoy it all and be happy. I most certainly was."

"Share your winnings with others."

"Think seriously about your priorities, your future and your family. Take time to ground yourself."

"Play with a small amount of your money to treat yourself for your win, but sit on most of it until you can create a solid future for your family."